

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 01154 01 OF 02 260621Z
ACTION NEA-10

INFO OCT-01 EA-09 ISO-00 FEA-01 CIAE-00 DODE-00 PM-04 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 ERDA-07 AID-05 CEA-01 CIEP-02 COME-00 EB-08
FPC-01 INT-05 OMB-01 OES-06 STR-04 TRSE-00 ACDA-10
/127 W

-----260638Z 047128 /11

R 260555Z JAN 77
FM AMEMBASSY TOKYO
TO AMEMBASSY JIDDA
AMEMBASSY TEHRAN
INFO SECSTATE WASHDC 5014

UNCLAS SECTION 1 OF 2 TOKYO 1154

E.O. 11652: N/A
TAGS: ENRG, OPEC, JA, SA
SUBJECT: YAMANI INTERVIEW WITH JAPANESE REPORTER

REF: TOKYO 0597

1. SUMMARY. IN INTERVIEW WITH JAPANESE REPORTER IN JIDDA, YAMANI CLAIMED SAUDI PRODUCTION TRARGET FOR 1977 IS 11.8 MILLION BARRELS PER DAY. HE ADVOCATED MORE OIL CONSERVATION MEASURES, DEVELOPMENT OF ALTERNATE ENERGY SOURCES, AND IMPLIED SUPPORT FOR DEVELOPMENT OF NEW OIL SUPPLIES TO HOLD DOWN PRICES. HE URGED JAPAN TO BE MORE ACTIVE IN SAUDI DEVELOPMENT PROJECTS, AND SAID THAT SAUDI ARABIA WOULD WELCOME NAGANO MISSION (REFTEL). END SUMMARY.

2. THE FOLLOWING IS AN UNOFFICIAL EMBASSY TRANSLATION OF AN INTERVIEW WITH SAUDI OILMINISTER YAMANI AS PUBLISHED IN THE TOKYO SHIMBUN, A VERNACULAR JAPANESE PAPER.

3. BEGIN TEXT. TOKYO SHIMBUN, JANUARY 17, 1977.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 01154 01 OF 02 260621Z

EXCLUSIVE INTERVIEW WITH PETROLEUM AND MINERAL WEALTH MINISTER YAMANI.

A) OIL PRICES WILL BECOME STABLE IF ADVANCED NATIONS ECONOMIZE.

MOVES OF PETROLEUM AND MINERAL WEALTH MINISTER

YAMANI OF SAUDI ARABIA HAVE BEEN NOTED SINCE THAT COUNTRY TOOK A CAUTIOUS ATTITUDE ON THE RAISING OF THE OIL PRICE AT OPEC'S QATAR CONFERENCE AT THE END OF LAST YEAR. RECENTLY, THIS REPORTER (SAISHU) VISITED THE SAID MINISTER IN JIDDA AND HEARD ABOUT SAUDI ARABIA'S OIL POLICY AND ITS POLICY TOWARD JAPAN, AND ALSO HIS WAY OF THINKING ABOUT A MISSION FROM JAPANESE BUSINESS CIRCLES, WHICH MISSION IS SCHEDULED TO VISIT SJU ARABIA ONE MONTH HENCE. IN THIS INTERVIEW, PETROLEUM AND MINERAL WEALTH MINISTER YAMANI CLARIFIED THE FOLLOWING VIEWS: (1) MANY

COUNTRIES WERE DELIGHTED AT OUR DECISION; (2) IF CONSUMER COUNTRIES ECONOMIZE, THE PRICE OF OIL WILL BECOME STABLE IN THE FUTURE; (3) TO MEET THE INCREASE IN DEMAND, SAUDI ARABIA WILL INCREASE AVERAGE DAILY OUTPUT (8,500,000 BARRELS AT PRESENT) TO 11,800,000 BARRELS IN 1977 AND TO MORE THAN THAT NEXT YEAR; (4) THERE IS AN INCREASING NUMBER OF COUNTRIES AND COMPANIES HOPING FOR DIRECT DEALS (DD) IN OIL, BUT SAUDI ARABIA IS DESIRING RELATIONS WITH COUNTRIES AND COMPANIES WHICH WILL CON- OPERATE IN THE INDUSTRIALIZATION OF THE COUNTRY; AND (5) IT WILL SINCERELY WELCOME THE JAPANESE MISSION (A LARGE-SCALE MISSION FROM BUSINESS CIRCLES, LEAD BY JAPAN CHAMBER OF COMMERCE AND INDUSTRY PRESIDENT SHIGEO NAGANO); SAUDI ARABIA HAS MANY THINGS ON WHICH IT WANTS TO CONSULT WITH JAPAN, AND THE DISPATCH OF THE MISSION WILL SURELY BE SUCCESSFUL.

SINCE SAUDI ARABIA EXPRESSED ITS ATTITUDE OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 01154 01 OF 02 260621Z

RESTRAINING THE PRICE RAISE, MISSIONS AND BUSINESSMEN HAVE BEEN RUSHING TO THAT COUNTRY FROM ALL PARTS OF THE WORLD, AND PETROLEUM AND MINERAL WEALTH MINISTER YAMANI, WHO IS ATTRACTING ATTENTION, IS EXTREMELY BUSY. UNDER SUCH CIRCUMSTANCES, THIS REPORTER CAUGHT HIM WHEN HE HAD JUST RETURNED FROM ABU DHABI, AND ASKED HIM QUESTIONS FOR ABOUT AN HOUR IN HIS OFFICE IN JIDDA. THIS IS THE FIRST TIME THAT A LEADER OF SAUDI ARABIA HAS POSITIVELY SHOWN HIS ENTHUSIASM FOR OIL PRODUCTION IN RESPONSE TO THE INCREASE IN OIL DEMAND IN THE WORLD, AND AT THE SAME TIME CONCRETELY PRESENTED THE FIGURE OF ABOUT 11,800,000 BARRELS IN DAILY OUTPUT AS THE OIL PRODUCTION TARGET FOR THIS YEAR. SO FR, THERE HAS BEEN ONLY THE OBSERVATION THAT THE AMOUNT OF OIL PRODUCTION IN SAUDI ARABIA THIS YEAR WILL BE ABOUT 10 MILLION BARRELS A DAY.

4. THE QUESTIONS AND ANSWERS BETWEEN MINISTER YAMANI AND THIS REPORTER WERE AS FOLLOWS:

-- JAPAN IS GRATEFUL FOR THE DECISION BY SAUDI
ARABIA, BUT WHAT ABOUT THE REACTIONS IN OTHER COUNTRIES?

A) DEMAND-SUPPLY RELATIONS ARE DECISIVE FACTOR.

YAMANI: WE DID NOT MAKE THE DECISION TO SPO T OPEC
OR TO CAUSE TROUBLE WITH OTHER OIL-PRODUCING COUNTRIES.
THE BASIC POLICY OF OUR COUNTRY IS THAT THE WORLD ECONOMY,
WHICH IS TENDING TO BE STAGNANT, MUST NOT BE WORSENER

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 TOKYO 01154 02 OF 02 260619Z
ACTION NEA-10

INFO OCT-01 EA-09 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07
L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15
FEA-01 ERDA-07 AID-05 CEA-01 CIEP-02 COME-00 EB-08
FPC-01 INT-05 OMB-01 OES-06 STR-04 TRSE-00 ACDA-10
/127 W

-----260638Z 047054 /11

R 260555Z JAN 77
FM AMEMBASSY TOKYO
TO AMEMBASSY JIDDA
AMEMBASSY TEHRAN
INFO SECSTATE WASHDC 5015

UNCLAS SECTION 2 OF 2 TOKYO 1154

ANY FURTHER. ULTIMATELY, OUR COUNTRY WAS APPRECIATED
BY MANY COUNTRIES, WHETHER ADVANCED OR DEVELOPING
COUNTRIES, AND THEREFORE I THINK THAT OUR DECISION WAS
CORRECT.

--WHAT WILL BECOME OF THE OIL PRICE IN THE FUTURE?

YAMANI: THIS IS A PROBLEM IN WHICH EVERYONE IS
INTERESTED, AND ON WHICH NO ONE CAN GIVE ANY ANSWER.
THERE ARE THREE FACTORS DECIDING THE OIL PRICE IN THE
FUTURE. THE FIRST FACTOR IS DEMAND-SUPPLY RELATIONS.
IF DEMAND INCREASES, THE PRICE WILL RISE. ON THE OTHER
HAND, IF NEW DISCOVERIES AND DEVELOPMENT OF OIL MAKE
PROGRESS, IT WILL BE POSSIBLE TO RESTRAIN THE PRICE
RISE, ALTHOUGH THE PRICE WILL NOT FALL.

THE SECOND FACTOR IS ECONOMIZATION.
ESPECIALLY THE ADVANCED NATIONS MUST ECONOMIZE. IF
THEY CONSUME OIL WASTEFULLY WHILE APPRECIATING THE
DECISION BY SAUDI ARABIA, THERE WILL BE NO HOPE FOR
STABILIZING THE OIL PRICE. THE THIRD IS DEVELOPMENT OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 01154 02 OF 02 260619Z

SUBSTITUTE FUEL. PROBABLY IT IS NOT NECESSARY TO EXPLAIN
THIS.

-- IT IS SAID THAT SAUDI ARABIA WILL INCREASE PRO-
DUCTION BY LIFTING THE OUTPUT RESTRICTIONS TO DATE, BUT
...

B) 11,800,000 BARRELS THIS YEAR.

YAMANI: SO FAR OUR AVERAGE DAILY OUTPUT HAS BEEN
8,500,000 BARRELS, BUT WE ARE SCHEDULED TO PRODUCE
11,800,000 BARRELS THIS YEAR. NEXT YEAR THE OUTPUT
WILL BE GREATER. WE WILL MAKE THE GREATEST POSSIBLE
EFFORTS TO SABILIZE THE OIL PRICE, SO WE WANT JAPAN
AND OTHER ADVANCED COUNTRIES ALSO TO PREVENT INFLATION.

--I THINK THERE IS AN INCREASING NUMBER OF COUNTRIES
WANTING TO HAVE DIRECT DEALS WITH SAUDI ARABI, BUT...

C) POSITIVENESS DESIRED OF JAPAN.

YAMANI: THAT IS RIGHT. HOWEVER, WE WOULD LIKE TO
CONCLUDE LONG-TERM, DIRECT-DEAL CONTRACTS WITH COUNTRIES
WHICH WILL COOPERATE IN THE MODERNIZATION AND INDUSTRI-
ALIZATION OF SAUDI ARABIA.

-- IN THAT CASE, CAN JAPAN BE INCLUDED AMONG THE
OBJECTS OF DIRECT DEALS?

YAMANI: THERE ARE A GREAT MANY FIELDS IN WHICH
JAPAN CAN COOPERATE WITH OUR COUNTRY.

-- I HEAR THAT A CERTAIN GROUP OF JAPANESE ENTER-
PRISES VIRTUALLY GAVE UP ON EXPORTING A PETRO-CHEMICAL
PROJECT, AND THAT THEREFORE, THE SAUDI ARABIAN GOVT IS
EXPRESSING STRONG DISSATISFACTION WITH THE JAPANESE
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 01154 02 OF 02 260619Z

GOVT AND THE ENTERPRISES, BUT ... (MR. YAMANI NODS

MANY TIMES)

YAMANI: I AM IN NO POSITION TO MAKE ANY DIRECT COMMENT, BUT I WOULD LIKE JAPAN TO BECOME MORE POSITIVE. THIS CAN BE SAID IN REGARD TO THE PROBLEM OF PEACE IN THE MIDDLE EAST, TOO...

-- IN JAPAN, ECONOMIC CIRCLES ARE PLANNING TO DISPATCH MISSIONS TO SEVERAL COUNTRIES IN ORDER TO CULTIVATE ARAB ECONOMIC DIPLOMACY BY THEIR OWN EFFORTS, AND A MISSION WILL VISIT SAUDI ARABIA, TOO. DO YOU KNOW THIS?

YAMANI: I HEAR THAT PRINCE NAEF (TN: PHONETIC) WILL INVITE LEADERS OF JAPANESE ECONOMIC CIRCLES. IT SEEMS THAT PREPARATIONS ARE BEING MADE ALSO FOR TALKS WITH LEADERS OF OUR COUNTRY, INCLUDING THE KING. I ALSO WILL BE WILLING TO PARTICIPATE. I WANT THEM TO HAVE A GOOD UNDERSTANDING OF THE OIL POLICY OF SAUDI ARABIA, AND WANT TO OBTAIN THE COOPERATION OF JAPANESE ECONOMISTS CONCERNING THE INDUSTRIALIZATION OF OUR COUNTRY. SAUDI ARABIA AND JAPAN NEED MUTUAL COOPERATION, AND THE DISPATCH OF THE MISSION WILL SURELY BRING ABOUT GOOD RESULTS. END TEXT.
HODGSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO01154
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770027-1172
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770115/aaaaamtt.tel
Line Count: 249
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 93d638d0-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 TOKYO 597
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3491363
Secure: OPEN
Status: NATIVE
Subject: YAMANI INTERVIEW WITH JAPANESE REPORTER
TAGS: ENRG, JA, SA, OPEC, (YAMANI, AHMAD ZAKI)
To: JIDDA TEHRAN
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/93d638d0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009